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DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

MICHAEL R. STYLER Executive Director JOHN R. BAZA
Division Director

Inspection Report Minerals Regulatory Program Report Date November 16, 2006

Supervisor DRH

Mine Name: Expectation Operator Name: Mark Miller

Permit number: M0350024 Inspection Date: October 26, 2006

Time: About 1:30-2:30 PM

Inspector(s): Paul Baker and Beth Ericksen Other Participants: Francisco (trackhoe operator)

Mine Status: Active

Weather: Partly cloudy, 40's

| Elements of Inspection | Evaluated | Comment | Enforcement |
|--|-------------|-------------|-------------|
| 1. Permits, Revisions, Transfer, Bonds | \boxtimes | \boxtimes | |
| 2. Public Safety (shafts, adits, trash, signs, highwalls) | | | |
| 3. Protection of Drainages / Erosion Control | | | |
| 4. Deleterious Material | | | |
| 5. Roads (maintenance, surfacing, dust control, safety) | | | |
| 6. Concurrent Reclamation | | | |
| 7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts, drill holes) | | | |
| 8. Water Impoundments | | | |
| 9. Soils | | | |
| 10. Revegetation | \boxtimes | \boxtimes | |
| 11. Air Quality | | | |
| 12. Other | \bowtie | \bowtie | \boxtimes |

Purpose of Inspection:

The purpose of the inspection was to look at areas that were seeded this past summer and see whether anything had germinated.

Inspection Summary:

1. Permits, Revisions, Transfer, Bonds

On November 14, 2006, the Division held an informal conference concerning notice of violation MN2006-03-10-01, and as a result, this violation will be vacated.

Cessation order MC2006-03-04-01 is still outstanding. The operator has been required to post an additional \$2000 surety to cover revegetation costs.

10. Revegetation

There are two areas I though had been seeded. One is on the west side of the permitted area and the other is a hillside below the power lines (Photo 4). It appears only the area on the west was seeded. We saw numerous grass seedlings in this area (Photo 1), and while there is some cheatgrass, most of the grass appears to be other species, probably those that were seeded.

12. Other

While we were at the site, a trackhoe was digging next to one of the roads accessing the mine site from the north (Photos 2 and 3). We did not see any of the rock being hauled away, but it appeared to

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us that the operator was digging rock. This activity was being done outside the permitted disturbed area.

Conclusions and Recommendations:

On November 14, 2006, I discussed the bonding requirement with the operator and agreed that if all unpermitted disturbed areas could be seeded, cessation order MC2006-03-04-01 could be modified to simply require the seeding and it could then be terminated.

Because the operator was mining outside the permitted area, I issued cessation order MC2006-03-13-01 for failing to conduct operations as shown in the Notice of Intention to Commence Small Mining Operations (NOI) and for failing to maintain adequate surety. This cessation order was issued October 30, 2006.

During the meeting on November 14, we discussed the possibility of amending the NOI to include new mining areas. If the operator would complete reclamation on the existing mining areas, new areas could be added, and this would help avoid the cycle of cessation orders for mining outside the approved areas.

Inspector's Signature

Date

PBB:pb

cc:

Mark Miller, Operator

Beth Ericksen Attachment: Photos

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ATTACHMENT

Photographs

M0350024, Expectation Mine, Mark Miller

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Photo 1. Grass seedlings in one of the regraded areas.



Photo 2. Trackhoe operating along a road north of the mine.



Photo 3. Another view of the area in Photo 2. It appeared the operator was digging rocks.



Photo 4. An area below and east of the power lines. It does not appear this area was seeded.